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BEFORE THE
SURFACE TRANSPORTATION BOARD



FINANCE DOCKET NO. 34689

FLORIDA NORTHERN RAILROAD COMPANY, INC.
-- LEASE EXEMPTION --
LINE OF CSX TRANSPORTATION, INC.

FILED
MAY 20 2005
SURFACE
TRANSPORTATION BOARD

**VERIFIED NOTICE OF EXEMPTION
OF
FLORIDA NORTHERN RAILROAD COMPANY, INC.
PURSUANT TO 49 C.F.R. § 1150.41**

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MAY 20 2005

SURFACE
TRANSPORTATION BOARD

William C. Sippel
Thomas J. Litwiler
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1500

**ATTORNEYS FOR FLORIDA NORTHERN
RAILROAD COMPANY, INC.**

Dated: May 19, 2005

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34689

FLORIDA NORTHERN RAILROAD COMPANY, INC.
-- LEASE EXEMPTION --
LINE OF CSX TRANSPORTATION, INC.



**VERIFIED NOTICE OF EXEMPTION
OF
FLORIDA NORTHERN RAILROAD COMPANY, INC.
PURSUANT TO 49 C.F.R. § 1150.41**

Pursuant to 49 C.F.R. § 1150.41, et seq., Florida Northern Railroad Company, Inc. ("FNOR"), a Class III rail carrier, hereby files this Verified Notice of Exemption to lease and operate a line of railroad of CSX Transportation, Inc. ("CSXT") in the State of Florida extending from High Springs through Newberry and Dunnellon to Citronelle (the "Newberry Line"), a total distance of approximately 70.74 miles. Based on projected revenues for the Newberry Line, FNOR expects to remain a Class III rail carrier after consummation of the transaction proposed herein.

In accordance with the requirements of 49 C.F.R. § 1150.43, FNOR submits the following information:

Name and Address of Applicant: 49 C.F.R. § 1150.43(a)

The full name and address of the rail carrier applicant herein is as follows:

Florida Northern Railroad Company, Inc.
P.O. Box 967
3001 Orange Avenue
Plymouth, FL 32768-0967
(407) 880-8500

Applicant's Representative: 49 C.F.R. § 1150.43(b)

FNOR's representative to whom correspondence regarding this transaction should be sent is as follows:

William C. Sippel
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, IL 60606-2832
(312) 252-1500

Statement Concerning Agreement: 49 C.F.R. § 1150.43(c)

FNOR and CSXT expect to execute shortly a "Land and Track Lease Agreement" providing for FNOR's lease of the Newberry Line.

Operation of the Property: 49 C.F.R. § 1150.43(d)

FNOR will operate and provide all rail common carrier service on the Newberry Line pursuant to the lease transaction proposed herein.

Summary of the Transaction: 49 C.F.R. § 1150.43(e)

FNOR is a Class III common carrier by rail which owns and operates a rail line extending from Lowell through Ocala to Candler, Florida, a distance of approximately 27 miles. FNOR acquired the Lowell-Candler line from CSXT and commenced operations in 1988. Florida Northern Railroad Company, Inc. -- Acquisition and Operation Exemption -- Certain Rail Lines of CSX Transportation, Inc., Finance Docket No. 31368 (ICC served December 22, 1988).

FNOR is a wholly-owned subsidiary of Pinsly Railroad Company ("Pinsly"), a non-carrier holding company. See Pinsly Railroad Company -- Continuance in Control Exemption -- Florida Northern Railroad Company, Inc., Finance Docket No. 31369 (ICC served

December 22, 1988). Pinsly also controls four other Class III rail carriers in Florida, Arkansas and Massachusetts. See Pinsly Railroad Company -- Continuance in Control Exemption -- Arkansas Midland Railroad Company, Inc., Finance Docket No. 32001 (ICC served March 6, 1992).

Pursuant to agreement reached by FNOR and CSXT, FNOR will lease and operate CSXT's line of railroad extending from milepost AR 716.88 at High Springs, Florida through Newberry, Florida to milepost AR 777.76 at Dunnellon, Florida, and from milepost ARD 777.36 at Dunnellon¹ to milepost ARD 785.71 at Citronelle, Florida. FNOR also will lease and operate a short segment of connecting CSXT trackage at Newberry, extending from milepost SN 717.22 to milepost SN 718.73. The total distance of the lines to be leased and operated by FNOR is approximately 70.74 miles.

FNOR will interchange traffic with CSXT at Newberry. FNOR also could interchange traffic with Florida West Coast Railroad Company, Inc. ("FWCR") at Newberry as required, and CSXT and FWCR will maintain an existing interchange at Newberry.²

The complete name and address of the carrier leasing the Newberry Line to FNOR is as follows:

CSX Transportation, Inc.
500 Water Street
Jacksonville, FL 32202

FNOR intends to consummate its lease of the Newberry Line and commence operations on the line on or shortly after May 27, 2005.

¹ Milepost AR 777.76 and milepost ARD 777.36 designate the same location at Dunnellon.

² FWCR recently received exemption authority to abandon its line extending from Newberry to Trenton, Florida, and apparently retains only approximately 0.40 miles of trackage within Newberry proper. Florida West Coast Railroad Company, Inc. -- Abandonment Exemption -- In Alachua and Gilchrist Counties, FL, Docket No. AB-347 (Sub-No. 3X) (STB served June 14, 2004).

Map: 49 C.F.R. § 1150.43(f)

A map showing the Newberry Line and the surrounding area is attached as Exhibit A to this Notice.

Certificate of Compliance: 49 C.F.R. § 1150.43(g)

A Certificate of Compliance with the provisions of 49 C.F.R. § 1150.43(g) is attached as Exhibit B to this Notice.

Advance Notice: 49 C.F.R. § 1150.42(e)

The projected annual operating revenue of FNOR does not exceed \$5 million, and, accordingly, the advance notice requirements of 49 C.F.R. § 1150.42(e) are not applicable to this transaction. See Exhibit B hereto.

Environmental and Historic Preservation Data: 49 C.F.R. § 1105

Under 49 C.F.R. § 1105.6(c)(2), FNOR's proposed lease and operation of the Newberry Line is exempt from environmental reporting requirements. The proposed transaction will not result in significant changes in carrier operations, i.e., changes that exceed the thresholds established in 49 C.F.R. § 1105.7(e)(4) or (5).

Under 49 C.F.R. § 1105.8(b)(1), FNOR's lease and operation of the Newberry Line also is exempt from historic preservation reporting requirements. The proposed lease is for the purpose of continued rail operations. Further Surface Transportation Board approval is required to abandon or discontinue any service and there are no plans to dispose of or alter properties subject to Board jurisdiction that are fifty years old or older.

Caption Summary: 49 C.F.R. § 1150.44

A caption summary in appropriate form is attached as Exhibit C to this Notice.

Respectfully submitted,

By: 

William C. Sippel

Thomas J. Litwiler

Fletcher & Sippel LLC

29 North Wacker Drive

Suite 920

Chicago, Illinois 60606-2832

(312) 252-1500

**ATTORNEYS FOR FLORIDA NORTHERN
RAILROAD COMPANY, INC.**

Dated: May 19, 2005

EXHIBIT A

Clay Co.

BEGIN TRACK/LAND LEASE
AR 716.88 - V.S. 4997+10

Starke - Wannee Jct.

Brooker

Bradford Co.

Burnett's Lake

Gainesville

Putnam Co.

High Springs
AR 716.88

Newberry
AR 730.0
SN 718.73

SN 717.22

FWCR

Alachua Co.

Levy Co.

END TRACK/LAND LEASE
ARD 785.71 - V.S. 426+38 +/-

Marion Co.

FNOR

Dunnellon
AR 777.76
ARD 777.36

Citronelle
ARD 785.71

Citrus Co.

Hernando Co.

LEGEND

CSXT Operating Corridor
Proposed Lease

Total Distance - 70.74 Miles +/-

SOUTHERN REGION
JACKSONVILLE DIVISION
WEST COAST SUBDIVISION:
AR 716.88 - AR 777.76
RED LEVEL BRANCH:
ARD 777.36 - ARD 785.71
PORTION OF BROOKER SUB.:
SN 717.22 - SN 718.73

CSX TRANSPORTATION

TRACK & LAND LEASE
WEST COAST SUBDIVISION,
PART OF THE BROOKER SUBDIVISION
& RED LEVEL BRANCH

CSX
REAL SECURITY

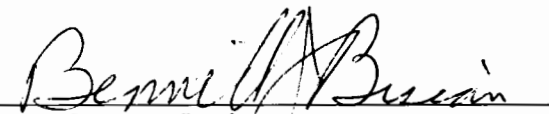
SCALE: 1" = 10 Miles

Revised: May 11, 2005
Drawn By: L. Fenwick

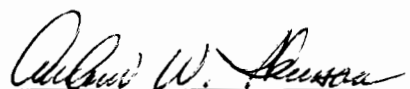
CERTIFICATION

State of Florida)
) ss:
County of Orange)


Bennett J. Biscan, being duly sworn, hereby certifies that the projected annual rail revenue of Florida Northern Railroad Company, Inc. does not exceed \$5 million and will not result in the creation of a Class II or a Class I rail carrier under the provisions of 49 C.F.R. § 1201 (1-1).


Bennett J. Biscan
Vice President & General Manager

SUBSCRIBED AND SWORN TO
before me this 17th day
of May, 2005.


Notary Public

My Commission expires:

NOTARY PUBLIC-STATE OF FLORIDA
 **Andrew W. Ikensaa**
Commission # DD375619
Expires: NOV 29, 2008
Bonded Thru Atlantic Bonding Co., Inc.

SURFACE TRANSPORTATION BOARD

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-- LEASE EXEMPTION --
LINE OF CSX TRANSPORTATION, INC.

Florida Northern Railroad Company, Inc. ("FNOR"), a Class III rail carrier, has filed a Verified Notice of Exemption to lease from CSX Transportation, Inc. and operate a line of railroad (the "Newberry Line") extending from milepost AR 716.88 at High Springs, Florida through Newberry, Florida to milepost AR 777.76 at Dunnellon, Florida; from milepost ARD 777.36 at Dunnellon to milepost ARD 785.71 at Citronelle, Florida; and from milepost SN 717.22 to milepost SN 718.73 at Newberry, a total distance of approximately 70.74 miles.

FNOR expects to consummate its lease of the Newberry Line on or shortly after May 27, 2005.

Comments must be filed with the Board and served on:

William C. Sippel
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1500

This Notice is filed under 49 C.F.R. § 1150.41. If the Notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. § 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

Dated: May __, 2005

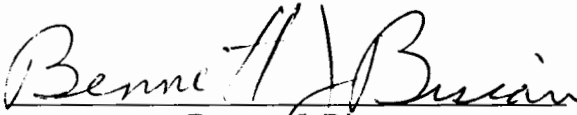
By the Board

Vernon A. Williams
Secretary

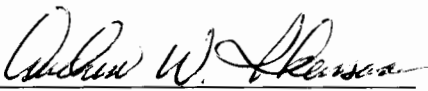
VERIFICATION

State of Florida)
) ss:
County of Orange)


Bennett J. Biscan, being duly sworn, deposes and says that he is Vice President and General Manager of Florida Northern Railroad Company, Inc., that he has read the foregoing Notice of Exemption and knows the facts asserted therein, and that the same are true as stated.


Bennett J. Biscan

SUBSCRIBED AND SWORN TO
before me this 17th day
of May, 2005.


Notary Public

My Commission expires:

NOTARY PUBLIC-STATE OF FLORIDA
 **Andrew W. Ikensaa**
Commission #DD375619
Expires: NOV 29, 2008
Bonded Thru Atlantic Bonding Co., Inc.